



(Translation)

No. 016/2022

15 August 2022

Subject: Clarification on Change in Operating Result Exceeding 20% for the Three-month and Six-month Accounting Periods Ended 30 June 2022

To: President

The Stock Exchange of Thailand

Asset Five Group Public Company Limited (“the Company”) would like to clarify operating result for the three-month and six-month accounting periods ended 30 June 2022 reviewed by the certified auditor regarding change from the last same period of last year exceeding 20%. The details are as follows:

Unit: Baht

Items	three-month period ended 30 Jun 2022	three-month period ended 30 Jun 2021	Increase (Decrease)	
			Baht	%
Revenues from sale of real estate	228,773,977	209,588,251	19,185,726	9.15%
Other income				
Income from contract cancellation	-	1,156,990	(1,156,990)	(100.00%)
Other	569,453	438,143	131,310	29.97%
Total revenues	229,343,430	211,183,384	18,160,046	8.60%
Cost of sale of real estate	152,944,626	164,350,451	(11,405,825)	(6.94%)
Distribution costs	17,935,881	21,300,855	(3,364,974)	(15.80%)
Administrative expenses	13,494,963	12,996,097	498,866	3.84%
Total cost	184,375,470	198,647,403	(14,271,933)	(7.18%)
Profit (Loss) from operating activities	44,967,960	12,535,981	32,431,979	258.71%
Finance income	19,533	57,887	(38,354)	(66.26%)
Finance costs	(2,201,471)	(3,074,330)	872,859	(28.39%)
Share of profit (loss) from investments in joint ventures	(1,599,029)	(1,649,408)	50,379	(3.05%)

Unit: Baht

Items	three-month period ended 30 Jun 2022	three-month period ended 30 Jun 2021	Increase (Decrease)	
			Baht	%
Profit (loss) before income tax	41,186,993	7,870,130	33,316,863	423.33%
Tax (expense) income	(10,934,136)	(2,366,092)	(8,568,044)	362.12%
Profit (loss) for the period	30,252,857	5,504,038	24,748,819	449.65%
Profit (Loss) attributable to Owners of the parent	28,893,480	5,203,516	23,689,964	455.27%

For the three-month period ended 30 June 2022, the Company's net profit increased by 24.75 Million Baht or 449.65%. Details of significant changes in operating results are as follows:

1. Revenues from sale of real estate of the Company and subsidiary in the second quarter of 2022 has realized income of 228.77 Million Baht from selling of houses from Vana Resident Rama 9 - Srinakarin project, worth 202.78 Million Baht, from Rachaya Nadee project, worth 17.83 Million Baht, from selling of ready-for-sale condominium from Vio Khaerai 1 and 2 project, worth 8.16 Million Baht which increased by 19.18 Million Baht or 9.15% compared to the same quarter of last year. This was mainly due to the increase in the transfer of ownership of the houses of the Vana Resident Rama 9 - Srinakarin project.

2. Other income decreased by 1.03 Million Baht or 64.30% compared to the same quarter of last year since the second quarter of 2021 the Company recognized profit from the cancellation of the reservation payment the down payment and the contract payment from the cancellation of 1.6 Million Baht. While in the second quarter of 2022 the Company has no income from seizing the reservation and contract money because there was no termination of the contract during the quarter.

3. Cost of sale of real estate decreased by 11.41 Million Baht or 6.94% compared to the same quarter of the previous year, which is in the opposite direction as the increase in income. This was caused by a decrease in cost of real estate sales of Rachaya Real Estate Company Limited due to a decrease in house sales and was caused by the increase in cost-of-good-sold at a rate less than the rate of increase in income from real estate sales of the Vana Residence project and the Vio Khae Rai project because the Company better project management cost.

4. Distribution costs decreased by 3.36 Million Baht or 15.80% compared to the same quarter of the previous year. This is because in the second quarter of 2021, the Company has recognized the

commission of the house that has been canceled as an expense. As a result, the cost of distribution in the previous period was higher than usual.

5. Income tax expense increased by 8.57 Million Baht or 362.12% compared to the same quarter of the previous year which is in the same direction as the lower net profit before income tax.

Unit: Baht

Items	six-month period ended 30 Jun 2022	six-month period ended 30 Jun 2021	Increase (Decrease)	
	Baht	%		
Revenues from sale of real estate	548,483,466	349,387,753	199,095,713	56.98%
Other income				
Income from land disposal	-	105,246,429	(105,246,429)	(100.00%)
Income from contract cancellation	1,420,475	8,108,440	(6,687,965)	(82.48%)
Other	1,476,710	2,425,116	(948,406)	(39.11%)
Total revenues	551,380,651	465,167,738	86,212,913	18.53%
Cost of sale of real estate	363,931,161	272,678,825	91,252,336	33.47%
Distribution costs	43,922,649	31,906,096	12,016,553	37.66%
Administrative expenses	28,566,247	23,768,817	4,797,430	20.18%
Total cost	436,420,057	328,353,738	108,066,319	32.91%
Profit (Loss) from operating activities	114,960,594	136,814,000	(21,853,406)	(15.97%)
Finance income	19,533	57,887	(38,354)	(66.26%)
Finance costs	(3,989,064)	(8,604,055)	4,614,991	(53.64%)
Share of profit (loss) from investments in joint ventures	(2,942,113)	(1,448,719)	(1,493,394)	103.08%
Profit (loss) before income tax	108,048,950	126,819,113	(18,770,163)	(14.80%)
Tax (expense) income	(25,745,228)	(26,204,376)	459,148	(1.75%)
Profit (loss) for the period	82,303,722	100,614,737	(18,311,015)	(18.20%)
Profit (Loss) attributable to Owners of the parent	78,968,981	97,158,242	(18,189,261)	(18.72%)

For the six-month period ended 30 June 2022, the Company's net profit decreased by 18.31 Million Baht or 18.20%. Details of significant changes in operating results are as follows:

1. Revenues from sale of real estate of the Company and subsidiary for the six-month period ended 30 June 2022 has realized income of 548.48 Million Baht from selling of houses from Vana Resident Rama 9 - Srinakarin project, worth 513.39 Million Baht, from Rachaya Nadee project, worth 23.90 Million Baht, from selling of ready-for-sale condominium from Vio Khaerai 1 and 2 project, worth 11.19 Million Baht which increased by 199.09 Million Baht or 56.98% compared to the same period of last year. This was mainly due to the increase in the transfer of ownership of the houses of the Vana Resident Rama 9 - Srinakarin project because the houses in the project were completed and ready to move in together with effective marketing. As a result, sales increased in this quarter.

2. Other income decreased by 112.88 Million Baht or 97.50% compared to the same period of last year since the first six-month period of 2021 the Company recognized profit from the sale of land of the project that has stopped development in the amount of 105.25 Million Baht and also recognized income from the cancellation of the reservation payment the down payment and the contract payment from the cancellation of 8.11 Million Baht. While in the first six-month period of 2022 the Company recognized income from the cancellation of the reservation payment the down payment and the contract payment from the cancellation of 1.42 Million Baht due to decreasing in contract termination and no other income was recognized during the period.

3. Cost of sale of real estate increased by 91.25 Million Baht or 33.47% compared to the same period of the previous year, which is in line with the increase in revenue that occurred in the six-month period. The said cost increased at a lower rate than the rate of increase in sales revenue. This is because during the six-month period of 2022, the Company paid more attention to pricing strategy together with better project cost management. As a result, cost of sales increased at a lower rate.

4. Distribution costs increased by 12.02 Million Baht or 37.66% compared to the same period of the previous year due to commission and the cost of ownership transfer increased by 15.77 Million Baht due to the increase in sales and transfer of ownership of houses. This corresponds to the increase in real estate sales revenue.

5. Administrative expenses increased by 4.80 Million Baht or 20.18% compared to the same period of the previous year mainly due to In the first quarter of 2022, the Company has organized public relations activities to promote the Company's image. After the Company's securities was permitted to resume trading on the Stock Exchange of Thailand again. In addition, the Company still has more expenses related to employees due to the increasing number of employees.

6. Financial costs decreased by 4.61 Million Baht or 53.64% compared to the same period of the previous year mainly because the average balance of loans for operating expenses during the period decreased significantly. (The financial cost of the loan is not included as part of the project cost.)

7. Share of loss from investments in joint ventures increased by 1.49 Million Baht or 103.08% compared to the same period of the previous year mainly because in the first six-month period of 2022 Tonson Development Company Limited (Joint venture) had no revenue recognition. Because the project has not been completed and there is no customer canceling the contract during the period resulting in share loss from investment in joint venture In the amount of 2.94 Million Baht, while for the six-month period of 2021, the Company had revenue from the termination of contracts with certain customers. As a result, the share of loss in the six-month period of 2021 is less.

Please be informed accordingly

Sincerely yours

Asset Five Group Public Company Limited

Signed _____

(Mr. Supachoke Panchasarp)

Managing Directors